

106TH CONGRESS
1ST SESSION

S. 1166

To amend the Internal Revenue Code of 1986 to clarify that natural gas gathering lines are 7-year property for purposes of depreciation.

IN THE SENATE OF THE UNITED STATES

MAY 27, 1999

Mr. NICKLES introduced the following bill; which was read twice and referred to the Committee on Finance

A BILL

To amend the Internal Revenue Code of 1986 to clarify that natural gas gathering lines are 7-year property for purposes of depreciation.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. NATURAL GAS GATHERING LINES TREATED AS**
4 **7-YEAR PROPERTY.**

5 (a) IN GENERAL.—Subparagraph (C) of section
6 168(e)(3) of the Internal Revenue Code of 1986 (relating
7 to classification of certain property) is amended by redес-
8 ignating clause (ii) as clause (iii) and by inserting after
9 clause (i) the following new clause:

1 “(ii) any natural gas gathering line,
2 and”.

3 (b) NATURAL GAS GATHERING LINE.—Subsection (i)
4 of section 168 of the Internal Revenue Code of 1986 is
5 amended by adding at the end the following new para-
6 graph:

7 “(15) NATURAL GAS GATHERING LINE.—The
8 term ‘natural gas gathering line’ means—

9 “(A) the pipe, equipment, and appur-
10 tenances determined to be a gathering line by
11 the Federal Energy Regulatory Commission, or

12 “(B) the pipe, equipment, and appur-
13 tenances used to deliver natural gas from the
14 wellhead to the point at which such gas first
15 reaches—

16 “(i) a gas processing plant,

17 “(ii) an interconnection with a trans-
18 mission pipeline certified by the Federal
19 Energy Regulatory Commission as an
20 interstate transmission pipeline,

21 “(iii) an interconnection with an
22 intrastate transmission pipeline, or

23 “(iv) a direct interconnection with a
24 local distribution company, a gas storage
25 facility, or an industrial consumer.”.

1 (c) EFFECTIVE DATE.—The amendments made by
2 this section shall apply to property placed in service be-
3 fore, on, or after the date of the enactment of this Act.

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